

## VENDOR-MANAGED INVENTORY METHOD AND SYSTEM

### ABSTRACT OF THE DISCLOSURE

An exemplary embodiment of the invention relates to a method and system for providing vendor-managed inventory services via a vendor-managed inventory tool over a network environment. The method comprises receiving a signal from a sensor device indicating that a minimum level specified for a product used in a manufacturing location has been reached; querying a local inventory database at the buyer system for a supply status wherein said querying causes the vendor-managed inventory tool to either: transmit the demand note to a local inventory system for restocking of the product where sufficient quantities are locally available; or transmit the demand note to a vendor system where the supply levels are checked in vendor storage and/or vendor warehouse storage. A notice is transmitted to the buyer system where supply levels are sufficient to meet requirements specified in the demand note. If supply levels are insufficient, an order is generated and transmitted to the vendor factory to manufacture the product. Resupply of ordered goods is then effectuated through standard channels, and invoicing documentation/electronic messages and finances are transacted through standard payment means.